

FINANCIAL MANAGEMENT ADVISORY COMMITTEE MINUTES

November 7, 2007

The Financial Management Advisory Committee met on November 7, 2007. The following were in attendance:

<u>NAME</u>	<u>DEPARTMENT/DIVISION</u>
Stacy Neal	OA- Accounting
Tom Sadowski	OA- Accounting
Debbie Davis	DIFP – Div of Credit Unions
David Scott	DPS
Carol Willhite	DPS
Sondra Schuyler	OA- Accounting
Rebecca Voss	DOLIR
Connie Qutami	OA – ITSD
Andrea Beck	DESE
Chris Gerstner	OA-FMDC
Scott Harper	STO
Sarah Clardy	DESE – VR
Robin Burkhart	DESE
Rebecca Imhoff	DOR
Janelle Jaegers	DHE
Cindy Luebbering	DNR
Ken Kuster	SAO
Carol Newgaard	SAO
Shirley Gerling	DIFP- Insurance
Brent Miller	Hwy Patrol
Lisa Wehmeyer	Hwy Patrol
LaVerne Brondel	DNR
Cathy Long	Mo Lottery
Mike Clark	DMH
Jim Miluski	OA/PMM
Sherry Hess	DIFP-PR
Lenard Lenger	DOC
Julie Miller	MVE
Leigh Ann Wilbers	MDC
Roger Luebbert	MDC
Gary Irwin	MOSERS
Vandee DeVore	OA-Accounting
Randall Gordon	SAO
Mike Hancock	OSCA
Brain Dowden	OSCA
Lori Hughes	SOS
Rhonda Jones	SOS
Valerie Heet	SOS
Judy Gehrke	DED

Stacey Jacobs
Tom Veasman
Kim Sandbothe
Theresa McDonald
Jayne Masek
Penny Gottschalk
Karen Wood
Renee Godsey

STC
MoDOT
DIFP- Finance
DSS
DOC
Agriculture
Agriculture
DHSS

Presentation:

State Auditor Montee discussed how her office was managing the audit workload within the resources available. The audits conducted fall into three categories those required by law, discretionary audits, and petition audits. Her office develops an audit plan and will adjust the plan as issues or circumstances dictate. Some of the initiatives underway to efficiently use resources include conducting smaller or limited scope audits, partnering with counties to bid out financial statement audits, reviewing areas that have little or no oversight and looking at places they have not been to in awhile.

For audits of state agencies, the Internal Control Plan is reviewed and the auditors will survey the main areas following risk assessment standards. The auditor may ask if the state agency or others have concerns they want them to review as part of the audit.

David Sundstrom with Audit Recovery, Inc. gave a short presentation on the audit recovery services his company performs. In the past audit recoveries focused on a reviewing outstanding payments, looking for duplicate payments and recovering credits due. These types of recoveries yielded a few hundred thousand dollars per year. He wants to expand the recoveries to include a review of the invoices against the pricing information from the contract to ensure the correct pricing was received. He stated this where a substantial amount of recoveries can occur and hopes the state could see recoveries of \$1 million. His company provides an audit report of the recoveries at the end of the period.

Tom Sadowski, Director for the Office of Administration, Division of Accounting, inquired if agencies were aware of the Federal Funding Accountability and Transparency Act of 2006 (FFATA) and if there were any concerns regarding implementation. Agencies stated they would need to check with their grant staff. Tom stated he would follow up with an e-mail to see if there were any issues or concerns.

Status Reports:

State Auditor's Office:

Ken Kuster stated the FFATA requirements would most likely be incorporated into the FY 2008 or FY 2009 single audit. His staff is focusing on the review of the FY 2007 Comprehensive Annual Financial Report (CAFR) and the Statewide Single Audit. The plan is to have the CAFR work completed by the end of the calendar year and the Single Audit report to OA by March 1st.

OA will need to incorporate any corrective action plans and submit the report to the Federal government by March 31st.

Office of Administration, Division of Accounting:

Tom Sadowski informed the committee effective January 1 all payroll and expense account payments will be made by direct deposit. The Commissioner of Administration must approve any exception to the rule. A pay card option is available as an alternative to the direct deposit requirement. Andrea Beck inquired if a letter informing the Department Directors of this requirement had been sent out. Tom stated a letter had been drafted but nothing had been sent to the Departments regarding this requirement. The published rule has all the information regarding the mandatory requirements and the effective date.

Tom indicated Karen Harms has announced her retirement and her duties will be taken over by Stacy Neal and Lynn Cannon.

Other:

Connie Qutami stated ITSD is looking into bulk buying ACL software used for data analysis. ITSD will be providing the group more information explaining the product and its uses.